



Wisconsin Medicaid Fact Sheet

Divestment

What is “Divestment?”

Divestment is giving away one's resources, such as income, non-exempt assets, and homestead property, for less than fair market value to become eligible for Medicaid. Fair market value is an estimate of the going price an asset would have had if it had been sold on the open market at the time it was given away.

When applying for Medicaid is “Divestment” important?

Yes, divestment is important if:

- You are living in or enter a nursing home or hospital for a stay of 30 days or more.
- You are applying for Community Waivers Program.
- You are applying for Family Care or Partnership Pilot Programs.

When you apply, you will be asked whether any financial resources have been transferred to another person within the past 36 months (60 months for trust funds). If you transferred financial resources during this time period, and did not receive fair market value for your transfers, a divestment penalty period will be calculated.

What is a “divestment penalty period?”

A divestment penalty period is a period of time when Medicaid will not pay for nursing home care or long term care benefits through the Community Waivers Program or Family Care, Pace or Partnership Pilot Programs. Persons may still be eligible for limited Medicaid card services during the divestment penalty period.

How is a “divestment penalty period” decided?

A divestment penalty period is calculated based on:

- Value of transferred resources
- Date the divestment occurred
- Date of application
- Current average private nursing home rate

For exceptions to the divestment rule or for more information call:

- Recipient Services at 1-800-362-3002 (TTY and translation services are available).

- The county/tribal social or human services, W-2 agency or the Medicaid outstation site in your county.

DHFS is an equal opportunity employer and service provider. If you have a disability and need to access this information in an alternate format, or need it translated to another language, please contact (608) 266-3465 or (608) 266-2555 TTY. All translation services are free of charge.

For civil rights questions, call (608) 266-3465 or (608) 266-2555 TTY.

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